

Enforcement Actions in Industry/Sector: Defense (FY 1996 - FY 2011)

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Matter	Enforcement Date	Matter and Action Type
Defense – Ammunitions		
1. 0610150 - General Dynamics OTS (Aerospace), inc. / SNC Technologies Inc.	12/28/2006	Merger - Consent Order Accepted for Comment http://www.ftc.gov/os/caselist/0610150/index.shtm
The consent order settled charges that General Dynamics' proposed \$275 million acquisition of SNC Technologies, Inc. and SNC Technologies, Corp. (collectively, SNC) would likely undermine competition by bringing together two of only three competitors providing the U.S. military with melt-pour load, assemble, and pack (LAP) services used during the manufacture of ammunition for mortars and artillery. Absent relief, the proposed acquisition would likely force the U.S. military to pay higher prices for these munitions. General Dynamics is required to sell its interest in American Ordnance to an FTC-approved buyer within four months of acquiring SNC.		
Defense – Equipment and Engineering Services		
1. 0010092 - Boeing Co / Hughes Electronics	9 /27/2000	Merger - Consent Order Accepted for Comment http://www.ftc.gov/os/caselist/c3992.shtm
The consent order permits the acquisition of Hughes Space and Communications, a subsidiary of General Motors Corporation, but prohibits Boeing from providing systems engineering and technical assistance (SETA) to the U.S. Department of Defense for a specific classified program. According to the complaint, Boeing is the sole supplier of SETA programs and Hughes is one of two competing contractors.		
2. 0410106 - General Electric Company / InVision Technologies	9 /15/2004	Merger - Consent Order Accepted for Comment http://www.ftc.gov/os/caselist/0410106/0410106.shtm
General Electric was permitted to acquire InVision Technologies, Inc. with conditions that it divest InVision's YXLON x-ray nondestructive testing and inspection equipment to a Commission approved acquirer. According to the complaint issued with the consent order, the two firms are direct competitors in a highly concentrated market. The consent order protects competition in the United States market for specialized x-ray testing and inspection including standard x-ray cabinets; x-ray systems equipped with automated defect recognition software; and high-energy x-ray generators.		
3. 9610018 - General Motors / Litton Systems	2 /9 /1996	Merger - Consent Order Accepted for Comment http://www.ftc.gov/opa/1996/02/hughes.shtm
Final order settles charges that the acquisition of Irek Optical System Division from Litton Industries, Inc. could increase the bid prices and decrease investment for technology in the development of deformable mirrors, a component of an optics system used by the Air Force's Airborne Laser Program in its anti-missile defense system. The development of the Air Force program has been contracted to two teams, Boeing/Lockheed and Rockwell/Hughes. Deformable mirrors are manufactured by only two firms in the U.S. --Itek and Xinetics Inc. (Itek supplies the Boeing team; Xinetics supplies the Rockwell team under an exclusive contract with Hughes.) According to the complaint issued with the proposed settlement, if Hughes completes its original purchase plan for Itek, Hughes will be involved in the supply of deformable mirrors to both teams.		
4. 9610022 - Litton Industries, Inc.	2 /15/1996	Merger - Consent Order Accepted for Comment http://www.ftc.gov/opa/1996/02/litton.shtm
Final order settles antitrust concerns stemming from the \$425 million acquisition of PRC Inc. and requires the divestiture of PRC's systems engineering and technical assistance (SETA) contract for the Department of Navy's Aegis destroyer program.		

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5. 9710006 - The Boeing Co Consent order permits the acquisition of Rockwell International Corporation's Aerospace and Defense business subject to a divestiture and other conditions. Currently, there are two teams competing to develop high-altitude endurance unmanned air vehicles for the Department of Defense's Advance Research Projects Agency -- Boeing/Lockheed (developing Tier III Minus, a stealthy, high-altitude endurance unmanned air vehicle) and Rockwell/Teledyne (developing Tier II Plus, a non-stealthy, high-altitude endurance unmanned air vehicle). As a result of the acquisition, Boeing would become a member of both teams and could increase the price of the components it supplies or reduce its investment in technology and quality. The consent order allows Teledyne, if it chooses, to replace Rockwell as its wing supplier without incurring any significant costs or risks to the project. Terms of the consent order require Boeing to deliver the assets necessary to produce the Tier II Plus wings to businesses designated by Teledyne. The order also establishes a "firewall" between Boeing's Tier III Minus business and the Rockwell North American Aircraft Division that provides Tier II Plus wings.	12/6 /1996	Merger - Consent Order Accepted for Comment http://www.ftc.gov/os/caselist/c3723.shtm
6. 9810081 - TRW Inc. TRW settled antitrust allegations stemming from its acquisition of BDM, a firm that provides, among other things, systems engineering and technical services (SETA) to the Department of Defense. TRW was part of one of two teams bidding for DOD'S Ballistic Missile Defense Organization's lead system integrator program. The acquisition would have placed TRW into BDM's role of SETA contractor whereby TRW could gain sensitive competitive information, including cost and bidding information, about its only other competitor for the program. According to the complaint issued with the consent order, this situation could have resulted in less aggressive bidding and higher prices for the leading system integrator program, or put TRW in a position to favor its own team by setting unfair procurement specifications or submitting unfair proposal or performance evaluations. The consent order requires TRW to divest the SETA contract to a Commission approved acquirer.	12/23/1997	Merger - Consent Order Accepted for Comment http://www.ftc.gov/os/caselist/c3790.shtm
7. 0310097 - General Electric Co. / Agfa A final consent order settled antitrust concerns stemming from General Electric Company's proposed acquisition of Agfa-Gevaert N.V.'s nondestructive testing business. According to the complaint issued with the consent order, the transaction as proposed would have eliminated competition in the United States markets for portable flaw detectors, corrosion thickness gages, and precision thickness gages - equipment used to inspect the tolerance of materials without damaging them or impairing their future usefulness. The consent order requires General Electric to divest its worldwide Panametrics Ultrasonic NDT business to R/D Tech, Inc. within 20 days after the transaction is completed.	12/18/2003	Merger - Consent Order Accepted for Comment http://www.ftc.gov/os/caselist/0310097/0310097.shtm
8. 0510165 - The Boeing Company / Lockheed Martin Corp The Commission intervened in the formation of United Launch Alliance (ULA), a proposed joint venture between the Boeing Corp. and Lockheed Martin Corp. The FTC's complaint alleged that the formation of ULA as originally structured would have reduced competition in the markets for U.S. government medium to heavy launch services and space vehicles. In settling the Commissions' charges, the parties agreed to take certain actions (such as nondiscrimination requirements and firewalls) to address ancillary competitive harms not inextricably tied to the national security benefits of ULA.	10/3 /2006	Merger - Consent Order Accepted for Comment http://www.ftc.gov/os/caselist/0510165/0510165.shtm
9. 0310152 - GenCorp., Inc. / Atlantic Research A consent order allowed GenCorp Inc. to acquire Atlantic Research Corporation while requiring the divestiture of Atlantic's in-space liquid propulsion business within six months of consummating the transaction. According to the complaint issued with the consent order, the transaction as originally planned would have lessened competition in the United States in four different types of in-space propulsion engines: monopropellant thrusters; bipropellant apogee thrusters; dual mode apogee thrusters; and biopropellant attitude control thrusters.	10/15/2003	Merger - Consent Order Accepted for Comment http://www.ftc.gov/os/caselist/c4099.shtm

Defense – Other

1. 9610026 - Lockheed Martin Corp. Consent order settles allegations that the proposed acquisition of Loral Corporation would reduce competition in the markets for air traffic control systems, commercial low earth orbit satellites, military tactical fighter aircraft, and unmanned aerial vehicles. The order requires the divestiture of a systems engineering and technical services contract with the Federal Aviation Administration and prohibits the sharing of sensitive information concerning competitors' products between the two firms.	4 /18/1996	Merger - Consent Order Accepted for Comment http://www.ftc.gov/os/caselist/c3685.shtm
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Defense – Satellite		
1. 9610057 - Raytheon Co	6 /12/1996	Merger - Consent Order Accepted for Comment http://www.ftc.gov/os/caselist/c3681.shtm
Consent order settles charges that the acquisition of Chrysler Technologies Holding, Inc. reduced competition for the U.S. Navy's future procurement of the Submarine High Data Rate satellite communications system for use in Navy submarines. The order requires Raytheon to erect an information "firewall" to prohibit the exchange of sensitive information concerning the Submarine HDR system prior to the completion of the competitive procurement.		